



# House of Representatives

General Assembly

**File No. 681**

January Session, 2003

Substitute House Bill No. 5139

*House of Representatives, May 13, 2003*

The Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT CONCERNING PARTICIPATION OF VOLUNTEER  
FIREFIGHTERS IN MUNICIPAL EMPLOYEE HEALTH INSURANCE  
PROGRAMS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-464 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) Any town, city or borough may, through its authorized officials,  
4 provide such form or forms of group life, health and accident and  
5 hospital plan benefits for its employees as it deems advisable. Any  
6 town, city or borough that provides health and accident and hospital  
7 plan benefits for its employees may arrange and procure the same  
8 benefits for each active member of a volunteer fire company or  
9 department within such town, city or borough, provided the member  
10 (1) elects coverage under such plan or plans, and (2) pays one hundred  
11 per cent of the premium charged and any additional costs for such  
12 coverage.

13       **(b)** If the town, city or borough has less than twenty employees, no  
14 health and accident and hospital plan for such employees may provide  
15 for reduced coverage for any employee who has reached the age of  
16 sixty-five and is eligible for Medicare benefits or any employee's  
17 spouse who has reached age sixty-five and is eligible for Medicare  
18 benefits except to the extent such coverage is provided by Medicare. If  
19 the town, city or borough has twenty or more employees, the terms of  
20 any such plan shall entitle any employee who has attained the age of  
21 sixty-five and any employee's spouse who has attained the age of  
22 sixty-five to group hospital, surgical or medical insurance coverage  
23 under the same conditions as any covered employee or spouse who is  
24 under the age of sixty-five.

25       Sec. 2. Subsection (i) of section 5-259 of the general statutes is  
26 repealed and the following is substituted in lieu thereof (*Effective*  
27 *October 1, 2003*):

28       (i) The Comptroller may provide for coverage of municipal  
29 employees or employees of nonprofit corporations under the plan or  
30 plans procured under subsection (a) of this section, provided: (1)  
31 Participation by each municipal employer or nonprofit corporation  
32 shall be on a voluntary basis; (2) where an employee organization  
33 represents employees in a municipality or nonprofit corporation,  
34 participation in a plan or plans to be procured under subsection (a) of  
35 this section shall be by mutual agreement of the municipal employer  
36 and the employee organization only and neither party may submit the  
37 issue of participation to binding arbitration except by mutual  
38 agreement; (3) no group of employees shall be refused entry into the  
39 plan by reason of past or future health care costs or claim experience;  
40 (4) rates paid by the state for its employees under subsection (a) of this  
41 section are not adversely affected by this subsection; (5) administrative  
42 costs to the plan or plans provided under this subsection shall be paid  
43 by the participating municipality or nonprofit corporation at no  
44 additional cost to the state; and (6) participation in the plan or plans in  
45 an amount determined by the state shall be for the duration of the  
46 period of the plan or plans, or for such other period as mutually

47 agreed by the municipality or nonprofit corporation and the  
 48 Comptroller. The Comptroller, with the approval of the Secretary of  
 49 the Office of Policy and Management, may arrange and procure for the  
 50 employees under this subsection health benefit plans that vary from  
 51 the plan or plans procured under subsection (a) of this section. Such  
 52 alternate plans may be offered to municipal employees on a fully  
 53 underwritten basis only. Notwithstanding any provision of law, such  
 54 alternate plan may be offered to employees of nonprofit corporations  
 55 on either a fully underwritten or risk-pooled basis at the discretion of  
 56 the Comptroller. For the purposes of this subsection, (A)  
 57 "municipality" means any town, city, borough, school district, taxing  
 58 district, fire district, district department of health, probate district,  
 59 housing authority, regional work force development board established  
 60 under section 31-3k, regional emergency telecommunications center,  
 61 tourism district established under section 32-302, flood commission or  
 62 authority established by special act, regional planning agency, transit  
 63 district formed under chapter 103a, or the Children's Center  
 64 established by number 571 of the public acts of 1969; and (B) "nonprofit  
 65 corporation" means a nonprofit corporation organized under 26 USC  
 66 501(c)(3) that has a contract with the state.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>

<b>LAB</b>	<i>Joint Favorable Subst. C/R</i>	PD
<b>PD</b>	<i>Joint Favorable C/R</i>	APP
<b>APP</b>	<i>Joint Favorable</i>	

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Comptroller	GF - Cost	None	None
Comptroller	GF - Revenue Loss	Indeterminate	Indeterminate

Note: GF=General Fund

**Municipal Impact:** None, see below

**Explanation**

The bill establishes language that permits municipalities to provide health insurance to volunteer firefighters if the firefighters pay the full cost plus administration. This provision is an option for municipalities and results in no additional costs.

The bill also adds regional emergency telecommunications center and tourism district to the definition of municipality for the purpose of health insurance coverage under the Municipal Employees Health Insurance Program (MEHIP), sponsored by the Comptroller. By design, any costs incurred by the program are passed on to the participants. Therefore, the Comptroller's office will bear no costs associated with the inclusion of any new participants. As of March 2003, there were 118 different groups participating in MEHIP, covering over 10,000 members.

The regional emergency telecommunication centers and statutorily established tourism districts employ approximately 97 and 60 employees, respectively. Any group opting to participate in MEHIP would incur full administrative and benefit costs.

**State Revenue Impact**

MEHIP coverage is excluded from the premium tax (1.75% of premium) imposed on health maintenance organizations. The estimated number of employees, eligible as a result of the bill and currently with health care coverage, that would change their coverage to MEHIP is unknown. Based upon the current MEHIP premiums, a revenue loss of \$6,100 per 100 employees participating would result from the exemption.

**OLR Bill Analysis**

sHB 5139

**AN ACT CONCERNING PARTICIPATION OF VOLUNTEER FIREFIGHTERS IN MUNICIPAL EMPLOYEE HEALTH INSURANCE PROGRAMS****SUMMARY:**

This bill authorizes municipalities to allow an active volunteer firefighter to join a municipality's group health insurance plan if the firefighter elects to enroll in the plan and agrees to pay 100% of the premium and any additional costs. The bill applies to any town, city, or borough that provides employees with health, accident, and hospital plan benefits. The bill does not define "active member" of a volunteer fire company.

The bill also makes employees of regional emergency telecommunications centers and tourism bureaus eligible for the state-sponsored Municipal Employee Health Insurance Program (MEHIP) by adding the centers and bureaus to the definition of "municipality" in the MEHIP law.

EFFECTIVE DATE: October 1, 2003

**BACKGROUND**

The bill does not define "active member" of a volunteer fire company, nor does a statute authorizing municipalities to adopt ordinances creating local property tax abatements for volunteer firefighters. In practice, municipalities define what an active member is as part of the eligibility criteria for the abatement.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute Change of Reference

Yea 14      Nay 0

Planning and Development Committee

Joint Favorable Change of Reference

Yea 16      Nay 0

Appropriations Committee

Joint Favorable Report

Yea 49      Nay 0